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5 UNITED STATES DISTRICT COURT
6 WESTERN DISTRICT OF WASHINGTON
7 AT SEATTLE

8 JD INVESTMENT CO., LLC, *et al.*,

9 Petitioners,

10 v.

11 AGRIHOUSE, INC., *et al.*,

12 Respondents.
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No. C09-0752RSL

ORDER TO SHOW CAUSE

14 This matter comes before the Court *sua sponte*. On May 29, 2009, petitioners filed
15 a petition for order compelling arbitration in this district alleging that the Court has jurisdiction
16 based on the diversity of citizenship of the parties. See 28 U.S.C. § 1332(a) (establishing that
17 the federal court’s jurisdiction extends to “all civil actions where the matter in controversy
18 exceeds . . . \$75,000 . . . and is between . . . citizens of different States.”). “For a case to qualify
19 for federal jurisdiction under 28 U.S.C. § 1332(a), there must be complete diversity of
20 citizenship between the parties opposed in interest.” Kuntz v. Lamar Corp., 385 F.3d 1177,
21 1181 (9th Cir. 2004) (internal citation omitted). In examining whether complete diversity is
22 present, the citizenship of a limited liability company is determined by examining the citizenship
23 of the owners/members. See Johnson v. Columbia Props. Anchorage, LP, 437 F.3d 894, 899
24 (9th Cir. 2006) (holding that “like a partnership, an LLC is a citizen of every state of which its
25 owners/members are citizens.”).

26 In the petition to compel arbitration, petitioners allege that “JD Investment Co.,

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1 LLC and Agrihouse, LLC are limited liability companies organized under the laws of the State
2 of Washington, with the principle places of business in the State of Washington” and that
3 “Respondent Agrihouse, Inc. is a citizen of the State of Colorado and Respondent Robert J.
4 Atwell, Jr. is a citizen of the State of Florida.” Dkt. # 1 at 3. Petitioners fail to allege the
5 citizenship of each owner/member of the petitioner-entities and therefore have failed to meet
6 their burden of establishing the basis of the Court’s jurisdiction. See Indus. Tectonics, Inc. v.
7 Aero Alloy, 912 F.2d 1090, 1092 (9th Cir. 1990) (“The party asserting jurisdiction has the
8 burden of proving all jurisdictional facts”); Fed R. Civ. P. 12(h)(3) (“If the Court determines at
9 any time that it lacks subject-matter jurisdiction, the court must dismiss the action”). In addition,
10 the Limited Liability Company Agreement attached as Exhibit A to the petition suggests that
11 complete diversity does not exist because one or both of the respondents is an owner/member of
12 petitioner Agrihouse, LLC.

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14 For all of the foregoing reasons, petitioners are hereby ORDERED TO SHOW
15 CAUSE why the Court should not dismiss this action for lack of subject matter jurisdiction
16 under Fed. R. Civ. P. 12(h)(3). Petitioners shall, within fourteen days of the date of this Order,
17 provide the Court with the citizenship of all of the owners/members of JD Investment Co., LLC
18 and Agrihouse, LLC at the time the complaint was filed. The Clerk of the Court is directed to
19 place this order to show cause on the Court’s calendar for Friday, August 14, 2009. The pending
20 “Petition for Order Compelling Arbitration” (Dkt. # 1) and “Respondents’ Motion to Dismiss
21 Petitioners’ Petition for Arbitration” (Dkt. #5) shall be renoted for Friday, August 14, 2009.

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23 Dated this 31st day of July, 2009.

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25 Robert S. Lasnik
26 United States District Judge